

Service Date: April 27, 1995

DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

\* \* \* \* \*

IN THE MATTER Of The Application )  
Of The Town of Ennis To Increase )  
Rates And Charges For Water Service )  
In Its Ennis, Montana Service Area. )

UTILITY DIVISION  
DOCKET NO. 95.2.4  
ORDER NO. 5842

\* \* \* \* \*

DEFAULT ORDER GRANTING WATER RATE INCREASE APPLICATION

BACKGROUND

1. On February 13, 1995, the Town of Ennis (Applicant) filed an Application with the Montana Public Service Commission (PSC) pursuant to Sections 69-7-101 et seq., MCA, for an order authorizing the Applicant to increase water rates in its Ennis, Montana service area. This increase will provide revenues to meet Department of Natural Resources and Conservation (DNRC) loan requirements taken to conduct capital improvements to the water system. The rate increase will generate approximately \$73,616 in additional annual revenues, or an increase of 109 percent in total annual revenues to the water utility.

2. On March 22, 1995, the PSC issued a Notice of Opportunity For Public Hearing. A provision in that notice stated, "If no hearing is requested by April 19, 1995, no hearing will be held and an appropriate order may be issued based upon evidence submitted with the Application."

3. The PSC has received no protest or request for hearing, however one person filed comments.

4. Mr. Lester Klatt filed comments concerning various parts of the Town's Application. He suggested alternatives. The PSC determines that, although the alternatives are credible, there is no basis to choose Mr. Klatt's alternatives over the Town's.

#### FINDINGS OF FACT

5. On January 12, 1995, the Town Council of the Town of Ennis passed a resolution to request PSC approval of the proposed rates.

6. The Town needs additional revenue to meet DNRC loan requirements.

7. The proposed rates will increase annual revenues by approximately \$73,616, or an increase of 109 percent in total annual revenues to the water utility.

#### CONCLUSIONS OF LAW

1. The Applicant, the Town of Ennis, is a public utility as defined in Section 69-3-101, MCA. The Montana Public Service Commission properly exercises jurisdiction over municipal utility rate increase Applications in excess of 12 percent in total annual revenues. Section 69-7-102, MCA.

2. The PSC has provided adequate public notice and an opportunity to be heard as required by Section 69-3-303, MCA, and Title 2, Chapter 4, MCA (Montana Administrative Procedures Act).

3. The rates and rate structure in this order are just and reasonable. Sections 69-3-201 and 69-3-330, MCA.

ORDER

IT IS HEREBY ORDERED THAT:

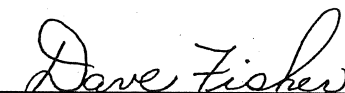
1. The Town of Ennis shall file rate schedules, consistent with the Findings of Fact herein, for its Ennis, Montana service area.

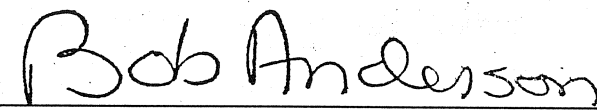
2. The rates approved herein shall not become effective until the tariffs, loan agreement(s), and necessary calculations relating to debt costs have been submitted for review by the PSC.

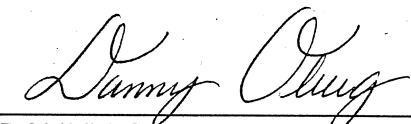
DONE IN OPEN SESSION at Helena, Montana on this 21st day of April, 1995,  
by a 5-0 vote.

BY THE ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

  
NANCY MCCAFFREE, Chair

  
DAVE FISHER, Vice Chair

  
BOB ANDERSON, Commissioner

  
DANNY OBERG, Commissioner

  
BOB ROWE, Commissioner

ATTEST:



Kathlene M. Anderson  
Commission Secretary

(SEAL)

NOTE: Any interested party may request that the Commission reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.